

## Message Text

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PAGE 01 KHARTO 01252 031254Z

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ACTION AF-18

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 AID-20 IGA-02 EB-11 DRC-01 FEAE-00 COME-00

TRSE-00 /127 W

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R 031225Z JUN 74

FM AMEMBASSY KHARTOUM

TO SECSTATE WASHDC 8258

LIMITED OFFICIAL USE KHARTOUM 1252

E.O. 11652: N/A

TAGS: ECON, ENRG, SU

SUBJ: GOS ANNOUNCES INCREASES CERTAIN PETROLEUM PRICES

AND CUTS IN CUSTOMS DUTIES ON SOME CONSUMER GOODS

REF: A. KHARTOUM 276; B. KHARTOUM 1174

1. IN RADIO BROADCAST MAY 31, UNDER SECRETARY MINFINANCE AND NATIONAL ECONOMY ANNOUNCED WHAT HAD BEEN LONG ANTICIPATED, AND VIRTUALLY INEVITABLE, PRICE INCREASES ON DOMESTIC SALES CERTAIN PETROLEUM PRODUCTS. U/S POINTED OUT THAT SUDAN LIKE OTHER COUNTRIES HAD BEEN HARD HIT BY INCREASES IMPOSED BY OPEC COUNTRIES. HE PUT FURTHER BLAME ON OPEC COUNTRIES BY NOTING THAT SUDAN HAD SOUGHT OBTAIN SPECIAL CONCESSIONS BUT THAT RESULTS "LESS THAN ANTICIPATED". FOREIGN EXCHANGE PROBLEM HAD BEEN PARTIALLY SOLVED BY DEALS WITH IRAN AND SAUDI ARABIA, BUT THERE WAS STILL LS 22 MILLION GAP IN LOCAL CURRENCY COSTS WHICH HAD TO BE FILLED. HENCE, NEED FOR INCREASES. AS ANTICIPATED REF A, MAIN BURDEN FELL ON DIESEL FOR TRUCKS WHICH UP FROM 26 TO 36 PIASTERS (\$1.02) PER GALLON AND DIESEL FUEL (SLIGHTLY HEAVIER PRODUCT FOR AGRICULTURAL PUMPS ETC.) UP LS 10 PER TON TO LS 58 (\$145). THERE IS ALSO MAJOR INCREASE IN FUEL OIL (FOR RAILROAD, INDUSTRY, ETC.) WHICH UP LS 15 PER TON TO LS 33.6 (\$84).

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PAGE 02 KHARTO 01252 031254Z

2. WHILE NOT DIRECTLY RELATED, THERE ARE ALSO REPORTS GOVERNMENT

MAY ANNOUNCE (POSSIBILITY IN CONNECTION WITH PRESENTATION BUDGET)  
DECREASE IN CUSTOMS DUTIES ON CERTAIN "ESSENTIAL" CONSUMER GOODS  
INCLUDING CARS AND REFRIGERATORS. THIS DOES NOT, OF COURSE, MEAN THAT  
IMPORT LICENSES WILL NECESSARILY BE EASIER TO OBTAIN, BUT FOR  
THOSE WITH ACCESS TO HARD CURRENCY OUTSIDE COUNTRY IT  
WILL HAVE SIGNIFICANT IMPACT. MOREOVER, DECREASE LIKELY BE  
ACCOMPANIED BY CUTS IN EXCISE DUTIES ON LOCALLY MANUFACTURED  
ITEMS SUCH AS REFRIGERATORS WHICH WILL BRING THEM INTO  
RANGE MORE SUDANESE POCKET BOOKS.

COMMENT: WHILE PETROLEUM PRODUCT INCREASES INEVITABLE,  
GOVERNMENT APPEARS HAVE HANDLED MATTER BETTER THAN IT DID  
YEAR AGO WHEN SIMILARLY ESSENTIAL INCREASES IN ITEMS SUCH AS  
SUGAR RESULTED IN MAJOR POLITICAL BACKLASH. THIS TIME INCREASES  
HAVE BEEN PROCEEDED BY ACROSS-BOARD WAGE HIKES (REF B) AND  
LIKELY BE FOLLOWED BY OTHER CONCESSIONS TO ECONOMIC  
DEMANDS OF PEOPLE. INCREASES STILL HARDLY LIKELY BE POPULAR,  
BUT WE EXPECT THEY WILL BE ACCEPTED WITH LITTLE FUSS AS UNAVOID-  
ABLE AND WITH BLOW SOMEWHAT SOFTENED BY OTHER MEASURES.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC CONDITIONS, PETROLEUM, CUSTOMS DUTIES, DATA, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 JUN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** cunninfx  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**TAGS:** ECON, ENRG, SU  
**To:** STATE  
**Type:** TE  
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